

1
2
3
4
5
UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

6
7
8 TREEMO, INC., a Washington
9 corporation,

NO. C13-1218-JPD

10 Plaintiff,

MEMORANDUM OPINION

11 v.

12 FLIPBOARD, INC., a California
13 corporation,

14 Defendant.

15
16 FLIPBOARD, INC., a California
corporation,

17 Counter-Claimant,

18 v.

19 TREEMO, INC., a Washington
20 corporation,

21 Counterclaim-Defendant.

22
23 I. INTRODUCTION

24 This matter was tried to the Court, sitting without a jury, on September 22, 23 and 29,
25 2014. Plaintiff and counterclaim-defendant Treemo, Inc. (hereinafter referred to as "Treemo"
26

1 or “defendant”) is seeking a declaration that its “FLOWBOARD” mark and “F” logo
 2 (collectively, the “FLOWBOARD marks”) do not infringe the “FLIPBOARD” mark and “F”
 3 logo (collectively, the “FLIPBOARD marks”) owned by defendant and counter-claimant
 4 Flipboard, Inc. (hereinafter referred to as “Flipboard” or “plaintiff”) under the Declaratory
 5 Judgments Act, 28 U.S.C §§ 2201 and 2202, and the Lanham Act, 15 U.S.C. § 1125 (a) and
 6 (c).¹ Dkt. 1. Flipboard alleges statutory and common law infringement of trademark rights
 7 and false designation of origin and unfair competition under 15 U.S.C. §§ 1114 and 1125(a).
 8 Flipboard asks the Court to permanently enjoin Treemo and/or its agents from using the
 9 FLOWBOARD marks, and to order the United States Patent and Trademark Office
 10 (“USPTO”) to invalidate any trademarks registered to Treemo. Dkt. 6. The Court has now
 11 considered the evidence presented at trial, the exhibits admitted into evidence, the parties’
 12 briefs, and the arguments of counsel. This memorandum opinion will constitute the Court’s
 13 Findings of Fact and Conclusions of Law.

14

II. JURISDICTION

15

16 Both parties have consented to proceed before the undersigned under 28 U.S.C. §
 17 636(c), Fed. R. Civ. P. 73, and Local MJR 13. Dkt. 16. The Court has original jurisdiction
 18 under 15 U.S.C. § 1121 (claims arising under the Lanham Act) and 28 U.S.C. § 1331, 1332,
 19 and 1338. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(1) because a
 20 substantial portion of the events giving rise to this action occurred within this district.
 21

22

23

24

25 ¹ In light of the fact that this action concerns alleged trademark infringement by Treemo, the Court
 26 directed the parties to refer to Treemo, Inc. as “defendant” throughout the trial of this matter and Flipboard, Inc.
 as “plaintiff.” The Court will refer to the parties in the same manner throughout this memorandum opinion.

III. BACKGROUND

A. Flipboard and its FLIPBOARD Marks

Founded in 2010 by Michael McCue and Evan Doll, Flipboard is a technology company based in Palo Alto, California. Dkt. 84 at 2 (“Admitted and Undisputed Facts” in the Joint Pre-Trial Order). Marci McCue, Flipboard’s head of marketing and one of its founding members, testified that Flipboard currently has approximately 160 employees. Flipboard launched its eponymous product in July 2010, which is a software application (“app”) for smartphones and tablet computers (hereinafter the “Flipboard app”) available in the United States as well as in a variety of foreign countries. The Flipboard app is available for free and can be downloaded to most mobile devices within one minute from online channels such as Apple’s App Store for iPhones and iPads or Google’s Play Store for Android devices. *Id.* The Flipboard app is also available for use on Blackberry devices, Windows phones and tablets, Amazon’s Kindle, and Barnes and Noble’s NOOK device. *Id.*

The original version of the Flipboard app, or “Flipboard 1.0,” provided a means for collecting content that others had posted to the Internet, such as the news of the day. As a result, the Flipboard app gained a reputation as a news aggregator or a news reader. The Flipboard app was immediately successful, as it was named Apple’s iPad App of the Year in 2010 and one of Time’s Top 50 Inventions of 2010. Since 2010, Flipboard has also won awards around design, innovation on the Android, and several Webby awards.

The FLIPBOARD mark was selected in order to describe the motion of the product and reflect the unique way users experience the app, as they “flip” between pages using touchscreen gestures. Flipboard’s “F” logo is described in its trademark registration “a red square containing a stylized letter ‘F’, which is composed of a white vertical rectangle, with a

1 pink bar creating the upper bar of the letter ‘F’, and with a pink square below it, creating the
2 middle bar of the letter ‘F’.” Ex. 523. Thus, Flipboard’s “F” logo has a stairstep design, and
3 the pink horizontal bars give the logo the appearance of translucency. Flipboard’s head of
4 design testified that the “F” logo was selected to distinguish the logo from many other startups’
5 rounded or “bubble art-ish” logos. The FLIPBOARD marks have been used in commerce
6 since July 20, 2010, and appear throughout the Flipboard app as well as in the URL of
7 Flipboard’s website, the account name for Flipboard’s official Facebook account, the “handle”
8 for Flipboard’s official Twitter account, and Flipboard’s marketing material.
9

10 Flipboard applied to register its FLIPBOARD mark with the USPTO in February of
11 2010, and its “F” logo mark in December of 2010. The USPTO granted registration of the
12 FLIPBOARD mark, separately, on July 24, 2012 as to certain goods and services in
13 International Classes 9, 41, and 45, and on August 27, 2013, as to certain services in
14 International Class 35. *See* Exs. 72, 73, 75, 76. Flipboard has also applied for and received
15 registration for the FLIPBOARD marks in International classes 35 and 42. *See* Exs. 74, 77.
16 The USPTO granted registration for the “F” logo mark as to certain goods and services in
17 International Classes 9, 41, and 45, on July 31, 2012, and in International Class 35 on August
18 20, 2013. *See* Exs. 75-76.

20 On March 26, 2013, Flipboard released an updated iteration of its app, referred to
21 during the trial as “Flipboard 2.0.” Flipboard 2.0 substantially expanded the functionality of
22 the product by allowing users to create personal and interactive publications called
23 “magazines.” Users create these magazines by combining online content from various Internet
24 sources in order to tell stories, create an online photo album, or display social media content.
25 *See* Ex. 115 (Ms. McCue’s personal magazine entitled, “Africa trip”); Ex. 100 (Mossberg
26

YouTube video demonstrating Flipboard 2.0's functions). Users can then publish and share
1
their magazines with others across social networks, or via e-mail and website posts.
2

3 The launch of Flipboard 2.0 in March 2013 was the first big release since Flipboard's
4 original launch. Flipboard conducted a large public relations campaign to advertise the app's
5 new features, including press tours, e-mail campaigns, and overhauling the website. The
6 consistent theme in those marketing efforts was to explain how Flipboard 2.0 was expanding
7 the user's capability to collect and create their own content. Flipboard continues to devote
8 substantial time and resources to marketing the Flipboard 2.0 app and building brand
9 awareness through social network channels such as Facebook and Twitter, Flipboard's website,
10 weekly blog posts, news articles and online publications. Flipboard spends approximately \$3-4
11 million annually to market its app.

13 Ms. McCue testified that thousands of user-created magazines are shared by Flipboard
14 users every day.² For example, universities have created magazines that function like a
15 brochure, displaying news about happenings on campus, videos, and photographs. *See Ex. 111*
16 (“Rice University Official Flipboard”). Business associations have created industry
17 presentations or publications to help people who are in a common business stay “current” or
18 connected on a particular topic. *See Ex. 112* (“Mobile Trucking Magazine: Trucking Industry
19 News & Information for Drivers”). The Flipboard app can be used to create a portfolio to
20 organize and display a user's work product that has been posted elsewhere on the internet. *See*
21 *Ex. 113* (journalist's writing portfolio); *Ex. 114* (user's art and design portfolio).

24
25
26 ² Specifically, Ms. McCue testified that there are 10 to 12 million different magazines or collections on
Flipboard, and five to seven million users have created at least one magazine.

One limitation of Flipboard 2.0 is that the content added to each magazine must have
 1 already been uploaded to another online service. Specifically, Flipboard 2.0's current editor
 2 tools allow a user to adjust layouts, change the cover of the magazine, and add some written
 3 comments, but a user cannot upload original content directly off a phone or tablet right into the
 4 Flipboard app. Instead, it must first be posted on the web elsewhere, such as a Facebook
 5 account. However, Ms. McCue and Flipboard's General Counsel Cecily Mak testified that
 6 Flipboard will be releasing a new iteration of its app ("Flipboard 3.0") with a more expansive
 7 tool set in the next 60 to 90 days that will allow users to add original content right into the
 8 Flipboard app, as opposed to posting it somewhere else on the Internet first.
 9

10 B. Treemo and its FLOWBOARD Marks

11 Founded in October 2005 by Chief Executive Officer Brent Brookler, Treemo is a
 12 small technology company based in Seattle, Washington.³ Since its founding, Treemo has
 13 been in the business of developing and marketing mobile applications. Between 2009 and
 14 2011, Treemo was primarily producing and distributing a "family" of software products for
 15 mobile devices with names like "Appazine," "Appavideo," and "Appafolio." Mr. Brookler
 16 testified that he first heard about the Flipboard app shortly after its initial launch in July 2010,
 17 and was therefore familiar with Flipboard several years before he launched the Flowboard app.
 18

20 The Appafolio product, which was the primary product that Treemo was promoting in
 21 2011, was a platform for a user to bring together into a "folio" the user's personally-generated
 22 multimedia content, such as graphics, imagines, or other user-created content. Mr. Brookler
 23 testified that while developing Appafolio, which required an interaction between the Internet
 24

25 ³ The parties' Joint Pretrial Order provides that Treemo had 8 employees at the time of trial. Dkt. 84 at 5.
 26 Based upon Mr. Brookler's testimony, it appears that Treemo had as many as 14 employees when the Flowboard
 app was being developed.

1 and a tablet device, his development team realized they were actually building presentation
2 software and the rise of the iPad presented an opportunity to reinvent such software.

3 In January 2012, Treemo began devoting substantial resources to developing a “next
4 generation” presentation software product that would allow anyone to author interactive
5 presentations from their tablet, and specifically the iPad tablet. According to Treemo, the
6 product would allow the user to build a storyboard-style presentation with interactive links to
7 enable the viewer to arbitrarily follow various paths in the presentation, as in a flowchart.
8 Thus, a user would navigate Treemo’s application by scrolling or “flowing” from screen to
9 screen. Although this was the genesis of the Flowboard app, Treemo initially called this new
10 product Appasplook.

12 Treemo filed an application with the USPTO for the Appafolio trademark in October
13 2011. However, in April 2012, that application was opposed by a company called AppFolio.
14 In October 2012, AppFolio filed a lawsuit against Treemo in the Central District of California
15 asserting claims for, *inter alia*, trademark infringement and cybersquatting. On April 8, 2013,
16 Treemo and AppFolio entered into a settlement agreement under which Treemo agreed to
17 cease its use of the Appafolio mark and withdraw its trademark application. *See* Ex. 23. Mr.
18 Brookler testified that because of Treemo’s problems with the Appafolio name, Treemo began
19 to consider rebranding its Appasplook product as Flowboard around June or July of 2012.

21 Mr. Brookler testified that the name “Flowboard” originated from his engineers
22 referring to a main screen in the app, which functions as a table of contents with links that
23 allow a user to slide back and forth between various screens in the presentation, as the “flow

screen” and eventually the “flow board.”⁴ Mr. Brookler testified that when he initially researched the name “Flowboard,” he also stumbled upon an article that referred to a “Flowboard” as the “mixing up of storyboard with flowchart.” This description resonated with Mr. Brookler as being reflective of the user’s experience using the app. Mr. Brookler also personally conducted a search on the USPTO website, and concluded that the trademark for FLOWBOARD appeared to be available. *See e.g.*, Ex. 508. Mr. Brookler testified that he ultimately selected the FLOWBOARD mark following a series of meetings with his team.

On August 9, 2012, Treemo filed an application expressing its intent to use the FLOWBOARD mark with the USPTO. On December 6, 2012, Treemo received a notice from the USPTO, advising Treemo that the trademark examining attorney had searched the USPTO’s database of registered and pending marks and determined that no conflicts would bar registration of that mark. *See* Ex. 502. The public opposition period also closed without objection.

In addition to the FLOWBOARD mark, Treemo also adopted its own “F” logo with the help of digital and social media agency Carrot Creative. Treemo retained Carrot Creative to consult on logo and web design in early 2013. *See* Dkt. 84 at 5. Treemo considered many different options for an “F” logo in different fonts, colors, and designs before settling on the current version. *See* Exs. 79-81, 86, 98.

The Flowboard app officially launched on April 18, 2013. The Flowboard app is not as widely available as the Flipboard app, and is in fact exclusively available for the iPad tablet device through the Apple App Store. Treemo uses its FLOWBOARD marks in essentially the

⁴ Treemo refers to what would typically be considered “slides” in a presentation as “screens,” to reflect their interactive nature.

same way as Flipboard. Specifically, Treemo uses the FLOWBOARD marks throughout the
1 app itself, as the URL of its official website, in the account name for Flowboard's official
2 Facebook account, as the "handle" for the Flowboard's official Twitter account, and
3 throughout Treemo's marketing materials.

5 Unlike Flipboard, Treemo began offering a "premium" version of the Flowboard app
6 for Macs that consumers had to pay to download from the Apple app store on July 10, 2014.
7 Mr. Brookler estimated that there have been approximately 6,000 downloads of the premium
8 version of the app, and approximately 300,000 downloads of the free version of the app for the
9 iPad.

11 The FLOWBOARD mark registration was issued to Treemo by the USPTO on August
12 19, 2014. *See* Ex. 502. The Flowboard app has also received awards, including the Tabby
13 Award for best "personal productivity" app in August 2014. *See* Ex. 519.

14 C. Procedural History

15 Flipboard's employees, including Ms. McCue and Ms. Mak, first learned about the
16 Flowboard app on April 19, 2013, the day after Treemo launched the application. On April 22,
17 2013, Flipboard's outside counsel sent a letter on behalf of Flipboard to Treemo demanding
18 that Treemo cease use of the FLOWBOARD marks or Flipboard would "assert its superior
19 rights." *See* Ex. 20. Treemo declined to discontinue its use of the FLOWBOARD marks via
20 letter to Flipboard's outside counsel dated May 6, 2013. *See* Ex. 21. On May 17, 2013,
21 Flipboard reiterated its position that the parties' marks are confusingly similar, and encouraged
22 Flowboard to cease the use of its marks. *See* Ex. 22.

24 On July 11, 2013, Treemo filed the current lawsuit seeking a declaratory judgment of
25 non-infringement. Dkt. 1. On July 26, 2013, Flipboard counterclaimed for statutory and
26

common law trademark infringement, and for false designation of origin under the Lanham
 1 Act, and seeks only injunctive relief. Dkt. 6.
 2

3 IV. DISCUSSION

4 A. Elements of a Trademark Infringement Claim

5 The Lanham Act prohibits the “use[] in commerce [of] any word, term, name, symbol,
 6 or device, or any combination thereof, or any false designation of origin” that “is likely to
 7 cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or
 8 association of such person with another person, or as to the origin, sponsorship, or approval of
 9 his or her goods.” 15 U.S.C. § 1125(a)(1)(A). To establish trademark infringement under the
 10 Lanham Act, a plaintiff must demonstrate that (1) it has a valid, protectable ownership interest
 11 in a mark, (2) its mark is the senior mark, and (3) the defendant’s mark is likely to cause
 12 consumer confusion in the marketplace. *Rearden LLC v. Rearden Commerce, Inc.*, 683 F.3d
 13 1190, 1202-03 (9th Cir. 2012); *see also Brookfield Comm’ns, Inc. v. West Coast Ent. Corp.*,
 14 174 F.3d 1036, 1046-47 (9th Cir. 1999).

16 Here, there is no dispute that Flipboard has a valid, protectable ownership interest in the
 17 FLIPBOARD marks, and that the FLIPBOARD marks are senior to the FLOWBOARD marks.
 18 Flipboard’s trademark registration is *prima facie* evidence of the validity of its marks. 15
 19 U.S.C. § 1057(b). Thus, the resolution of this case revolves around whether the
 20 FLOWBOARD marks are likely to cause consumer confusion in the marketplace. *See Masters*
 21 *Software, Inc. v. Discovery Commc’ns, Inc.*, 725 F. Supp. 2d 1294, 1299 (W.D. Wash. 2010)
 22 (noting that in any trademark infringement action, “likelihood of confusion is the
 23 touchstone.”). Specifically, the question is whether consumers are likely to mistakenly believe
 24 that Flowboard’s app is “somehow affiliated with or sponsored by” Flipboard. *Cohn v.*
 25

1 *Petsmart, Inc.*, 281 F.3d 837, 841 (9th Cir. 2002); *Dreamwerks Prod. Group, Inc. v. SKG*
 2 *Studio*, 142 F.3d 1127, 1130 (9th Cir. 1998).

3 In answering this question, the Court takes guidance from the eight factors articulated
 4 by the Ninth Circuit in *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979).
 5 These “*Sleekcraft factors*” include: (1) the strength of the allegedly infringed mark; (2) the
 6 similarity of the parties’ goods; (3) the similarity of the parties’ marks; (4) the extent to which
 7 there is evidence of actual confusion; (5) the marketing channels used by the parties; (6) the
 8 degree of care likely to be exercised by the purchasers of the parties’ products; (7) the alleged
 9 infringer’s intent in selecting its marks; and (8) the likelihood that the alleged infringer will
 10 expand its product lines.

12 The Ninth Circuit has consistently held that courts’ application of the eight *Sleekcraft*
 13 factors in determining the likelihood of confusion is supposed to be “pliant,” and has warned
 14 against “excessive rigidity” in applying the factors. *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d
 15 628, 632 (9th Cir. 2008). Rather, “[t]he test is a fluid one and the plaintiff need not satisfy
 16 every factor, provided that strong showings are made with respect to some of them.” *Surfivor*
 17 *Media, Inc. v. Survivor Productions*, 406 F.3d 625, 631 (9th Cir. 2005). *See also Dreamwerks*,
 18 142 F.3d at 1129-32 (allowing case to proceed past summary judgment where the plaintiff
 19 overwhelmingly satisfied three *Sleekcraft* factors). Courts have extensive discretion in
 20 determining how much weight to accord each factor based on the circumstances of the case.
 21 The Court will analyze each of the eight *Sleekcraft* factors below.

B. Treemo's Use of the FLOWBOARD Mark is Likely to Cause Consumer Confusion

As will be discussed in more detail below, after considering each *Sleekcraft* factor and balancing them as a whole, the Court finds that the balance of the *Sleekcraft* factors weigh substantially in favor of Flipboard. As a result, the Court finds that Treemo's use of the FLOWBOARD mark in association with its Flowboard app is causing consumer confusion between its product and the Flipboard app, and this confusion is likely to continue. The Court does not, however, find that Flowboard's use of its "F" logo is likely to cause confusion.

1. Strength of the FLIPBOARD Mark

The purpose of examining the strength of the plaintiff's mark is to determine the scope of trademark protection to which the mark is entitled. *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1141 (9th Cir. 2002). In examining the strength of the mark, the strength of the senior mark determines the scope of trademark protection to which it is entitled, while the strength of the junior mark determines whether it is so strong as to overtake the senior mark.

Trademarks are divided into five categories. The two strongest sets of marks are “arbitrary” and “fanciful” marks, which trigger the highest degree of trademark protection. *Entrepreneur Media*, 279 F.3d at 1141.⁵ The third category, “suggestive” marks, do not “describe the product’s features but suggest [] them.” *Kendall-Jackson Winery v. E. & J.*

⁵ “Arbitrary” marks are common words that have no connection with the actual product—for example, “Dutch Boy” paint. See *Dreamwerks*, 142 F.3d at 1130 n.7. “Fanciful” marks consist of “coined phrases” that also have no commonly known connection with the product at hand. *Id.* Examples of fanciful marks include “Kodak” cameras or “Aveda” skin care products. *Id.*

1 Gallo Winery, 150 F.3d 1042, 1047 n.8 (9th Cir. 1998) (emphasis omitted). Examples include
 2 “Slickcraft” boats or “Air Care,” for a service that maintains medical equipment for
 3 administering oxygen. *Id.* See also *Sleekcraft*, 599 F.2d at 349.

4 The fourth category of marks is referred to as “descriptive.” *Kendall-Jackson Winery*,
 5 150 F.3d at 1047. An example of a descriptive mark is “Honey Roasted” for nuts roasted with
 6 honey. *Id.* Because these marks merely describe a characteristic of the product, they do not
 7 receive any trademark protection unless they acquire sufficient “secondary meaning” to create
 8 an association between the mark and the product. *Id.*

9 The Ninth Circuit has generally applied one or two tests to differentiate between
 10 suggestive and merely descriptive marks. The most widely used test is the “imagination test,”
 11 which asks whether “imagination or a mental leap is required in order to reach a conclusion as
 12 to the nature of the product being referenced.” *Rudolph Int’l, Inc. v. Realys, Inc.*, 482 F.3d
 13 1195, 1198 (9th Cir. 2007).⁶ The second test, the “competitors’ needs” test, “focuses on the
 14 extent to which a mark is actually needed by competitors to identify their goods or services.”
 15 *Rodeo Collection, Ltd. V. W. Seventh*, 812 F.2d 1215, 1218 (9th Cir. 1987). If competitors
 16 have a great need to use a mark, the mark is probably descriptive; on the other hand, if “the
 17 suggestion made by the mark is so remote and subtle that it is really not likely to be needed by
 18 competitive sellers to describe their goods or services[,] this tends to indicate that the mark is
 19 merely suggestive.” *Id.* This test is related to the imagination test, “because the more
 20 imagination that is required to associate a mark with a product or service, the less likely the
 21 words used will be needed by competitors to describe their products or services.” *Id.*

22 ⁶ For example, the mark “ENTREPRENEUR” as applied to a magazine was descriptive, and not
 23 suggestive, because it directly described the quality or features of the product and “an entirely unimaginative,
 24 literal-minded person would understand the significance of the reference.” *Entrepreneur Media, Inc.*, 279 F.3d at
 25 1142.

1 The final category of marks consists of “generic” marks, which describe the product in
 2 its entirety, and which are not entitled to trademark protection. *Id.* Examples include “Liquid
 3 controls” for equipment that dispenses liquid, or “Multistate Bar Examination” for a bar
 4 examination that may be taken across multiple states. *Id.*; see also *Nat'l Conf. of Bar
 5 Examiners v. Multistate Legal Stud., Inc.*, 692 F.2d 478, 488 (7th Cir. 1983).

6 Identifying whether a mark is arbitrary, fanciful, suggestive, descriptive, or generic,
 7 however, is only the first step of the inquiry. The second step is to determine the strength of
 8 the mark in the marketplace, i.e., the commercial strength of the mark. *One Industries, LLC v.
 9 Jim O'Neal Dist., Inc.*, 578 F.3d 1154, 1164 (9th Cir. 2009). “When similar marks permeate
 10 the marketplace, the strength of the mark decreases. In a crowded field of similar marks, each
 11 member of the crowd is relatively weak in its ability to prevent use by others in the crowd.”
 12 *Id.* (internal quotation marks omitted).

14 a. The FLIPBOARD Marks are Suggestive

15 Flipboard argues that the FLIPBOARD marks are strong. Dkt. 61 at 23.⁷ First,
 16 Flipboard argues that because the USPTO registered the FLIPBOARD marks without requiring
 17 proof of secondary meaning, it created a presumption that the marks are inherently distinctive.
 18 *Id.* (citing *Zobmondo Entm't, LLC v. Falls Media, LLC*, 602 F.3d 1108, 1113-15 (9th Cir.
 19 2010) (holding that “[w]here the PTO issues a registration without requiring proof of
 20 secondary meaning, the presumption is that the mark is inherently distinctive” and the burden
 21 shifts to the junior mark holder to show that the mark is “merely descriptive” by a
 22 preponderance of the evidence)). Second, Flipboard argues that even if there was no
 23
 24

25 ⁷ The parties stipulated in the Pretrial Order that the briefs submitted in connection with the parties'
 26 cross-motions for summary judgment would serve as their trial briefs in this matter. Dkt. 84 at 18. See also Dkt.
 51 (Treemo's Motion for Summary Judgment); Dkt. 61 (Flipboard's Motion for Summary Judgment).

1 presumption, it is clear that its marks are at most “only lightly suggestive” because “the FLIP
2 portion of the mark ties in to the way that users flip through content in the application, but
3 beyond that the mark does not describe the application.” *Id.* Flipboard contends that its “F”
4 Logo is similarly suggestive, as “the use of an acronym or initial representing an underlying
5 suggestive word mark is in and of itself non-descriptive, and here the Flipboard F logo is made
6 further distinct by the stylized way in which its ‘F’ shape is composed of rectangles of
7 differing opacity.” *Id.* Finally, Flipboard argues that its marks are commercially strong
8 because the Flipboard app is enormously popular, with over 130 million total installations of
9 the app and over 400,000 new users per day. *Id.* In addition, it has been covered by most
10 major media publication in the United States and is widely known in the industry. *Id.*

12 Treemo argues that both Treemo and Flipboard’s marks are weak and entitled to only
13 narrow protection. First, Treemo argues that FLIPBOARD is at best “suggestive,” because it
14 evokes the notion of “flipping pages on a board.” Dkt. 51 at 12. Second, Treemo argues that
15 the FLIPBOARD mark has acquired little commercial strength, because it has only been in use
16 for roughly four years. *Id.* at 13. Additionally, Treemo argues that there are hundreds of live
17 marks used by other companies that are equally – or more similar – to the FLIPBOARD mark
18 than the FLOWBOARD mark. *Id.* at 13-14. Finally, Treemo argues that its own
19 FLOWBOARD mark is equally weak, and was chosen precisely because it evoked the essence
20 of Treemo’s product: “a union of a FLOWchart with a storyBOARD.” *Id.* at 14. Thus,
21 Treemo argues that the FLIPBOARD mark is entitled to little protection, and acknowledges
22 that the FLOWBOARD mark is unlikely to overtake Flipboard’s senior mark in the market.
23 *Id.* at 15.
24
25

1 The Court agrees with Flipboard that although the FLIPBOARD marks do not rise to
 2 the level of “arbitrary” or “fanciful” marks, which are afforded the highest levels of protection,
 3 they are “suggestive” rather than “merely descriptive.” The term “FLIP” in the FLIPBOARD
 4 mark describes the way that users can use their fingers to “flip” through content in the
 5 application, but otherwise the mark does not literally describe the application. In other words,
 6 some imagination and “a mental leap” is required to understand the mark’s relationship to the
 7 product. *Rudolph Int’l.*, 482 F.3d at 1198. The use of an “F” logo composed of rectangles to
 8 represent the underlying FLIPBOARD mark is also non-descriptive.
 9

10 The competitors’ needs test also strongly favors Flipboard’s argument that its mark is
 11 suggestive. Ms. McCue testified that Flipboard itself considered hundreds of names to
 12 describe its product, including “Highlight,” “Gravity,” and “Floe.” Similarly, Mr. Brookler
 13 testified that his team held a series of meetings before deciding on the FLOWBOARD mark.
 14 Accordingly, both the imagination test and the competitors’ needs test favor Flipboard’s
 15 argument that its marks are “suggestive,” and therefore entitled to some degree of protection.
 16

17 b. The FLIPBOARD Marks are Commercially Strong

18 Evidence adduced at trial overwhelmingly establishes that the FLIPBOARD marks are
 19 commercially strong. Over 130 million people have used the Flipboard app, and 200,000 to
 20 300,000 new users are added every day. Moreover, Flipboard earns millions of dollars from
 21 the Flipboard app. *See also Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1179 (9th
 22 Cir. 1988) (“Evidence of strength of [plaintiff’s] mark includes . . . sales in excess of one
 23 billion dollars.”); *Coach, Inc. v. Siskiyou Buckle Co., Inc.*, No. C11-486-HZ, 2012 WL
 24 1532489 at *4 (D. Or. Apr. 27, 2012) (holding that the fact that a mark earns millions of
 25 dollars annually shows commercial strength). Finally, as discussed above, the Flipboard app
 26

1 has garnered numerous awards and received extensive attention from the press, including such
 2 publications and websites as CNN, ESPN, the *New York Times*, *People*, *Esquire*, *Time*, *Forbes*,
 3 *Fortune*, *Cosmopolitan*, and *Bon Appétit*. In comparison, Treemo has not shown that its mark
 4 is equally strong or that it has the potential to overtake Flipboard's mark in the marketplace. In
 5 fact, Treemo concedes that its mark is relatively weak. Dkt. 51 at 14-15.

6 Moreover, Treemo's argument that Flipboard's marks are weakened by the virtue of the
 7 "numerous other companies using other marks which are equally as or more similar to the
 8 Flipboard mark as Treemo's mark," is inapposite. Many of the marks Treemo points to are
 9 used in unrelated industries or relate to dissimilar products, and therefore does not diminish the
 10 strength of Flipboard's marks. *See e.g., Eclipse Assoc. Ltd. v. Data Gen Corp.*, 894 F.2d 1114,
 11 1119 (9th Cir. 1990) (upholding a trial court's exclusion of evidence related to third-party use
 12 of marks in unrelated industries); *Du Barry of Hollywood, Inc. v. Richard Hudnut*, 323 F.2d
 13 986, 988 (9th Cir. 1963) ("The fact that goods and services unrelated to this class of products
 14 have, on occasion, been offered for sale to the public under the name 'Du Barry' does not
 15 diminish the strength of Hudnut's mark in its own field of cosmetics, toiletries and related
 16 articles for women.").⁸

19 Accordingly, the Court finds that the FLIPBOARD marks are "suggestive," and also
 20 commercially strong in the marketplace. The first *Sleekcraft* factor therefore weighs in favor
 21 of Flipboard, and finding a likelihood of confusion.
 22
 23

24 ⁸ Treemo argues that the Feedly app, which is a news aggregator, has a stylized "F" logo that resembles
 25 Flipboard's "F" logo. Treemo further contends that the existence of the Feedly app in the marketplace suggests
 26 that the FLIPBOARD marks are weak. But in light of the fact that the Court finds no likelihood of confusion with
 respect to the "F" logos at issue in this action, it is unnecessary to reach a conclusion regarding the impact of the
 Feedly stylized logo on the strength of Flipboard "F" logo trademark.

1 2. Similarity of the Parties' Goods

2 The similarity of the parties' products is "relevant to the confusion analysis in that for
 3 related goods, the danger presented is that the public will mistakenly assume there is an
 4 association between the producers of the related goods, though no such association exists. The
 5 more likely the public is to make such an association, the less similarity in the marks is
 6 requisite to a finding of likelihood of confusion." *Sleekcraft*, 599 F.2d at 350. The public is
 7 likely to make such an association when the goods are complementary, products are sold to the
 8 same class of purchasers, or the goods are similar in use and function. *See id. See also*
 9 *Brookfield Commc'n*, 174 F.3d at 1056 ("[T]he relatedness of each company's prime directive
 10 isn't relevant. Instead the focus is on whether the consuming public is likely somehow to
 11 associate West Coast's products with Brookfield.") (internal citation omitted); *Golden Door,*
 12 *Inc. v. Odisho*, 646 F.2d 347, 350 (9th Cir. 1980) ("[T]here is sufficient similarity in the
 13 general nature of the two businesses to support the district court's finding.").

15 Treemo argues that its Flowboard app is not similar to the Flipboard app. Dkt. 51 at
 16 15-17. First, Treemo argues that the parties' products and services are unrelated and function
 17 differently, because Treemo's Flowboard app functions in the area of "touch publishing" and
 18 "content creation," whereas Flipboard's app is a "news aggregator" and does not allow for the
 19 creation of new content or foster any form of creativity. Dkt. 51 at 15-16. Treemo argues,
 20 "[s]imply put, the Flipboard Product does not allow for anything except reading an 'electronic
 21 magazine.'" *Id.* at 16. Second, Treemo argues that the parties target different customers
 22 because the Flowboard app is "targeted to creative individuals who, generally, are authoring
 23 presentations or other business-minded content," whereas the Flipboard app is "targeted at
 24 individuals who enjoy reading the news." *Id.* Finally, Treemo argues that the parties "use
 25

1 different marketing channels” because the Flowboard app is categorized as a “productivity”
2 app in the Apple App Store, and the Flipboard app is categorized as a “news” app. *Id.*

3 Flipboard takes a broader view of the parties’ products. Specifically, Flipboard argues
4 that both products’ “primary function is to allow users to create and share personal, customized
5 publications that combine text and images drawn from a variety of sources.” Dkt. 61 at 26.
6 Moreover, Flipboard argues that “both [products] can be used to tell stories, initiate dialog
7 about new ideas, and share photos in an aesthetically pleasing format.” *Id.* During trial, Ms.
8 McCue and Ms. Mak testified that both the Flipboard and Flowboard apps are part of the
9 personalized publication app market, and could be used to prepare extremely similar
10 publications.

12 Contrary to Treemo’s arguments, the Court finds that consumers are likely to make an
13 association between Flipboard and Flowboard, based upon the fact that both apps are sold in
14 the same manner (via the Apple app store) to the same class of purchasers and are quite similar
15 in use and function. *See Sleekcraft*, 599 F.2d at 350. As a threshold matter, Treemo’s
16 contention that the Flipboard app is a “news aggregator” and “does not allow for the creation
17 of new content or foster any form of creativity” or “anything except reading an ‘electronic
18 magazine’” may have been an accurate characterization of Flipboard 1.0. It is not, however, an
19 accurate characterization of Flipboard 2.0. As discussed in detail above, Flipboard 2.0
20 substantially expanded the functionality of the product by allowing users to create their own
21 personal and interactive publications called “magazines” by combining online content from
22 various Internet sources in order to tell stories, create an online photo album, or display social
23 media content. *See* Ex. 100 (Mossberg YouTube video demonstrating Flipboard 2.0’s
24
25

functions). This ability to create content and use the app as a means of creative expression is also a defining feature of the Flowboard app.

During the trial, Ms. McCue explained that the content available on Flipboard 1.0 was collected by Flipboard employees who were finding great stories across the web or social networks. However, Flipboard 2.0 allowed users to collect stories and create content on their own and share it in their own magazine or presentation package to express themselves, share ideas, or tell stories. Ms. McCue testified that thousands of these magazines, created for a myriad of purposes, are published and shared by Flipboard users every day. *See e.g.*, Ex. 111 (“Rice University Official Flipboard”); Ex. 112 (“Mobile Trucking Magazine: Trucking Industry News & Information for Drivers”); Ex. 113 (journalist’s writing portfolio); Ex. 114 (user’s art and design portfolio). For example, archaeologists have created Flipboard magazines containing photographs and stories of archaeological digs and finds happening around the world. Educators have used Flipboard to share lesson plans and ideas. Real estate agents and small businesses have used Flipboard to collect stories and share news about their local market. Finally, it is common for Flipboard users to create magazines with pictures or videos from places they have visited, or destinations they hope to visit in the future. *See* Ex. 115 (Flipboard presentation of Ms. McCue’s recent trip to Africa). Accordingly, like Flowboard, Flipboard 2.0 also allows for creativity and content creation by users in the touch publishing market.

Treemo argued at trial that the Flowboard app occupies a different category than the Flipboard app in the principal marketplace, i.e., the Apple app store, because Flowboard was categorized as a “productivity” app and Flipboard was categorized as a “news” app. *See* Ex. 504 (“Flowboard: Presentation App with Touch Publishing” in the Apple app store under the

1 “Productivity” category); Ex. 505 (“Flipboard: Your Social News Magazine” in Apple app
2 store under the “News” category); Ex. 506 (“Flipboard: Your News Magazine” in the Google
3 Play Store under the “News & Magazines” category); Ex. 507 (Flowboard’s Mac App Store
4 Description); Ex. 519 (Flowboard’s 2014 “Tabby Award” for Best Personal Productivity App).
5 Treemo contends that the app store categorizations reflect the fact that Flowboard is
6 “presentation” software, like Microsoft PowerPoint, and the Flipboard app principally remains
7 a news aggregation app.

8 The Court finds that the app store categorization of these two apps is a distinction
9 without a difference. Substantial testimony at trial established that companies are only allowed
10 to select one category for their app in the Apple store, and the fact that Flipboard selected the
11 “news” category as a more advantageous category when it first released Flipboard 1.0 does not
12 in and of itself prove anything about the two apps’ similarities or differences with respect to
13 their current functionality or purpose. In fact, Ms. McCue testified that app categorization has
14 little influence on how apps are purchased by consumers, as most users will shop the app store
15 by using the search bar rather than scrolling through hundreds of apps by category.
16

17 The Court is also not convinced that Treemo fairly categorizes Flowboard as merely
18 “presentation” software. This claim is undermined by evidence that Treemo’s own executives
19 repeatedly compared the Flowboard app to the “new” Flipboard app in press solicitations and,
20 in fact, indicated that both Flipboard and Flowboard products were competing in the same
21 category or space. On several occasions Treemo CEO Mr. Brookler went so far as to say that
22 “while our[] [app] could also be used as a PowerPoint substitute, we are really going after the
23 consumer category.” Ex. 44; *see also* Exs. 32, 42 (indicating same).

1 For example, in an April 12, 2013 press solicitation email to Matt Marshall of Venture
 2 Beat, Mr. Bookler stated:

3 Flowboard falls into a new category of apps in the “touch publishing” space,
 4 which can be defined as using the tablet to create a better way to tell and share
 5 stories, create presentation, scrapbooks, memories and photo/video collections.
*Other companies in the category include Flipboard, Haiku, KeepShot, and
 Prezi.*

6 Ex. 34 (emphasis added). *See also* Exs. 33-41, 43, 45 (indicating same). Additionally, in an
 7 April 5, 2013 email to Jay Greene of CBS Interactive, Mr. Brookler stated:

8 Our new product falls into the “touch publishing” space, which generally can be
 9 defined as using the tablet to create a better way to tell and share stories, create
 10 scrapbooks, memories and photo/video collections. *While our app could also
 be used as a PowerPoint substitute, we are going after the consumer category
 first. Other similar launches in the space include Haiku Deck, another local
 company that is enterprise-focused, and Flipboard’s new product – so we know
 we are really onto something.*

13 Ex. 32 (emphasis added).

14 Although Treemo’s demonstration of the Flowboard app at trial showed how the user’s
 15 experience of using the two apps to create content is different, the primary function of both the
 16 Flipboard and Flowboard apps is to allow users to create and share personal, customized
 17 publications and/or presentations that combine text and images. In addition, although the
 18 Flowboard app allows users to create content directly from within the Flowboard app without
 19 an Internet connection, which the Flipboard app cannot do, the end result of both products is
 20 substantially the same. The “magazines” created by Flipboard users can serve the same
 21 purpose and are strikingly similar to “presentations” created by Flowboard app users.

23 *Compare* Ex. 10 (“Castles of Japan” created using Flowboard app) *with* Ex. 2 (“Castles in
 24 Wales” created using Flipboard app); Ex. 11 (“Classic Hikes of N. America” created using
 25 Flowboard app) *with* Ex. 3 (“Bay Area Hikes” created using Flipboard app); Ex. 15 (“10

Places a Person Should Visit Before they Die” created using Flowboard app) *with* Ex. 7
 1 (“Bucket List: Got to See, Got to Do, Before I Kick the Bucket” created using Flipboard app);
 2 Ex. 16 (“Press Play to Start: Integrating Games-Based Learning Into Your Classroom” created
 3 using Flowboard app) *with* Ex. 8 (“Classroom Technology” created using the Flipboard app).

Accordingly, although Treemo argued at trial that its product should be characterized as
 5 “presentation” software, and was therefore not competing in the same category as Flipboard
 6 2.0, consumers can and do create extremely similar publications using both apps. Thus, the
 7 two apps are similar in functionality, and are being sold to the same class of consumers within
 8 the same industry. Users are therefore likely to make an association between the goods. *See*
 9 *Sleekcraft*, 599 F.2d at 350. This *Sleekcraft* factor weighs in favor of Flipboard, and a finding
 10 of a likelihood of confusion.

13 3. Similarity of the Parties’ Marks

The Ninth Circuit has “developed certain detailed axioms to guide [the] comparison” of
 14 the parties’ marks. *GoTo.com, Inc. v. Walt Disney, Co.*, 202 F.3d 1199, 1206 (9th Cir. 2000).
 15 First, the marks must be considered in their entirety and as they appear in the marketplace. *Id.*
 16 Second, the similarity of competing marks “is tested on three levels: sight, sound, and
 17 meaning.” *Sleekcraft*, 599 F.2d at 351. Third, similarities are weighed more heavily than
 18 differences. *Id.*

21 The parties’ respective marks, as they appear in the marketplace, are shown below:
 22
 23
 24
 25
 26



With respect to sight, sound, and meaning, the word marks are extremely similar. Both marks consist of nine letters, beginning with the letters “FL” and ending with the suffix “BOARD.” Both marks are compound words. The only difference between the two marks is that the “IP” in FLIPBOARD is replaced by “OW” in FLOWBOARD.⁹ Indeed, both Mr. Brookler and Geoff Entress, a Treemo director, have acknowledged the striking similarities between the two word marks. In an email to Mr. Brookler about the FLOWBOARD mark, Mr. Entress stated, “I’m not an expert on branding, but I like it. Is the popular news app Flipboard? I guess that is a good thing.” Ex. 26.¹⁰ Moreover, Mr. Brookler acknowledged that “[w]e have a special sensitivity to ‘flipboard’ beyond others as our names are close” in an April 17, 2013 email to Tina Qunell of RUBII Media, who was ultimately engaged as Treemo’s public relations consultant although she had recently mixed up the names Flipboard and Flowboard in a draft press release she had provided for Mr. Brookler’s review. Ex. 29.

With respect to the meaning of the marks, both parties testified that the word marks have no independent meaning apart from attempting to describe the experience of using their

⁹ Flipboard’s head of design, Marcos Weskamp, testified that when people read they tend to perceive shapes rather than read letter-by-letter. As a result, the similarities between the shapes of the words “FLIPBOARD” and “FLOWBOARD” is likely to cause people to read one mark even though the other appears.

¹⁰ The Court does not credit Mr. Entress’ testimony that he was suggesting “it was a good thing” that Flipboard was a popular news reader because it could not be easily confused with the Flowboard app. Regardless, even if true, it is evident that Mr. Entress immediately noticed the similarity between the two word marks. See Ex. 26.

1 apps. For example, Ms. McCue testified that the FLIPBOARD mark was selected because the
 2 user can “flip” through content like you flip pages of a magazine. Similarly, Mr. Brookler
 3 testified that the FLOWBOARD mark was selected because the user can “flow” from screen to
 4 screen within the app from the table of contents page. The Court is unimpressed by the
 5 distinction between “flipping” and “flowing” through content. As Ms. Qunell observed during
 6 her deposition:

7 With the names itself, I think it could be very confusing, especially if they
 8 didn’t have experience with either one . . . whether you flip or you flow in
 9 between – between boards – I mean, just from a very literal perspective . . . it
 would be very hard to distinguish, in literal terms, between the two.

10 Qunell Dep. at 37:13-38:5. Accordingly, the Court finds the word marks substantially similar
 11 in sight, sound, and meaning, and considers it likely that consumers would confuse the two.
 12

13 The Court does not, however, find Flipboard and Flowboard’s respective “F” logos to
 14 be confusingly similar nor likely, by themselves, to cause confusion. Although both logos
 15 feature an upper-case “F” comprised of rectangles/squares with sharp edges, this is where the
 16 similarities between the logos end. The design and color schemes are entirely different.
 17 Treemo considered numerous proposed designs for its “F” logo. Exs. 79-82, 86, 91. Mr.
 18 Brookler testified that he ultimately settled on a blue capital letter “F” comprised of three
 19 rectangles of equal length on a solid (generally white) background because it was the most
 20 illustrative of the Flowboard app. Ex. 17.¹¹ Specifically, Mr. Brookler explained that instead
 21 of tapping on a button to insert text or video, a Flowboard app user creates a block shape and
 22 then fills that block with content.
 23

24
 25
 26 ¹¹ The logo for Flowboard’s education specific product is comprised of a vertical pencil (as the back of
 the “F”), with two horizontal blue rectangles. Ex. 120. It bears no resemblance to Flipboard’s “F” logo.

1 By contrast, Flipboard's "F" logo is described, in its trademark registration, as follows:
2
3 "the mark consists of a red square containing a stylized letter "F", which is composed of a
4 white vertical rectangle, with a pink bar creating the upper bar of the letter "F", and with a pink
5 square below it, creating the middle bar of the letter "F". Ex. 523. Flipboard's "F" also has a
6 stairstep design and the appearance of translucency, rather than two solid-colored horizontal
7 rectangles of equal length. Flipboard's head of design, Marcos Weskamp, testified that
8 although Flipboard normally uses a red color as the background for the logo, in conception
9 Flipboard has always imagined the "F" to be a translucent element that could be placed against
10 any other color. He further testified that the Flipboard logo represents the layout of the
11 magazine and the different types of content on a page. By themselves, the two "F" logo marks
12 are neither substantially similar, nor likely to cause confusion in the marketplace.

13 4. Degree of Actual Confusion

14 To constitute trademark infringement, use of a mark must be likely to confuse an
15 appreciable number of people as to the source of the product. *See Entrepreneur Media*, 279
16 F.3d at 1151 (citing *Int'l Ass'n. of Machinists and Aerospace Workers v. Winship Green*
17 *Nursing Ctr.*, 103 F.3d 196, 201 (1st Cir. 1996) ("[T]he law has long demanded a showing that
18 the allegedly infringing conduct carries with it a likelihood of confounding an appreciable
19 number of reasonably prudent purchasers exercising ordinary care."))). However, actual
20 confusion is hard to prove, and therefore the absence of such evidence is generally not
21 noteworthy. *See Brookfield Comm'cn*, 174 F.3d at 1050. Where it exists, however, evidence
22 of actual confusion as to the source of a product is "persuasive proof that future confusion is
23 likely." *Sleekcraft*, 599 F.2d at 352.
24
25

1 Treemo contends that Flipboard fails to present any evidence of actual confusion in the
2 minds of consumers as to their purchasing decision. Dkt. 67 at 4. Rather, Treemo argues that
3 Flipboard has only shown confusion by Treemo's investors, public relations consultant, a close
4 friend of Brent Brookler, and Treemo's counsel – "casual mistakes in informal communication
5 by people who are *least* confused about the source of Treemo's services." *Id.* at 5 (emphasis in
6 original). Treemo asserts that "[a]ll Flipboard has identified are examples of careless drafting
7 by people who, admittedly, should know better. But careless slips do not constitute actual
8 confusion as to source." *Id.* Treemo's arguments, however, are not supported by the evidence
9 presented at trial.

10 Flipboard produced evidence of numerous instances of actual confusion between the
11 two word marks by consumers. Perhaps most striking are email inquiries sent from Flowboard
12 users by clicking a link within the Flowboard app to provide feedback to
13 support@flowboard.com, who mistakenly referred to the app or company as Flipboard. For
14 example, on July 3, 2013, a Flowboard user commented that "This is a great app! However, it
15 will be difficult for all my clients to have an iPad to read from Flipboard. It will be great if I
16 can download my Presentations & send it to my Clients. Either in PDF or PPT." Ex. 52.
17 Similarly, on January 27, 2014, a Flowboard user stated that "I used Flowboard a time ago –
18 your CEO even showed my first try-out Flipboard in a video interview he did." Ex. 53. An
19 email to support@flowboard.com dated April 22, 2013 stated, "Hello Flipboard Team! I
20 absolutely love your app. As a business owner I am able to put together creative briefs and
21 presentations." Ex. 54. On May 30, 2013, an email inquiry sent directly to Mr. Brookler
22 referred to the app as Flowboard at first, but later commented that "it would be cool to be able
23 to actually embed the Flipboard on other websites as opposed to just linking it," and asked
24
25
26

1 whether it was “possible to put links directly in the Flipboard so people can just click on my
2 address etc?” Ex. 55.

3 The record is also replete with instances of individuals referring to Flowboard as
4 Flipboard, even when they were presumably aware of the difference between the two
5 companies. For example, Mr. Brookler received an email from an investor, Philip Osman, on
6 July 1, 2013, in which Ms. Osman stated, “it is great to hear such positive news from
7 Treemo/FlipBoard.” Ex. 51. As mentioned above, Treemo’s own public relations consultant
8 Ms. Qunell testified that she has confused the names Flowboard and Flipboard based upon the
9 similarities between the two word marks. Specifically, Ms. Qunell drafted a press release for
10 Mr. Brookler on April 17, 2013, in which she unintentionally referred to Treemo/Flowboard as
11 Flipboard throughout the two-page document, and even titled the document “Flipboard Draft
12 Release.” Exs. 47-48. Ms. Qunell testified that this error occurred because she prepared the
13 draft between 4:30-5:30 a.m., she was a daily user of the Flipboard app at the time, and the
14 FLOWBOARD and FLIPBOARD marks are similar. When he received her email, Mr.
15 Brookler pointed out Ms. Qunell’s error, and explained, “We have a special sensitivity to
16 ‘flipboard’ beyond others as our names are close.” Ex. 29.

17 When she was asked about her error in her deposition, Ms. Qunell testified, “Brent had
18 mentioned that there was some – some confusion. I had – I had made the mistake of, even in
19 documents – and as you can tell today – ‘Flipboard,’ ‘Flowboard.’ Just sometimes things roll
20 off the tongue. And he had mentioned that while he – he understood why on accident I was
21 just getting the words confused. But that – you know, it was a sensitive subject for him.”
22 Qunell Dep. at 35:10-18. In addition, she opined that the two names “could be very confusing,
23 especially if [someone] didn’t have experience between either one . . . at least in my mind,

1 whether you flip or you flow in between – between boards – I mean, just from a very literal
 2 perspective . . . it would be hard to distinguish, in literal terms, between the two.” *Id.* at 37:15-
 3 38:5.

4 Media coverage of the Flowboard app has also frequently linked Treemo/Flowboard to
 5 Flipboard, based upon the similarity of their marks. For example, an article on the Texas
 6 Wesleyan University website titled, “App of the Week – Flowboard” was “tagged” with the
 7 word FLIPBOARD, signaling some kind of connection between the two apps. Ex. 57.
 8 Similarly, a blog called Learningtechnologies.blogcommunity.com posted an article, “FREE
 9 Alternatives to Powerpoint, Part 2,” which discusses Flowboard, but was nevertheless “tagged”
 10 with the word FLIPBOARD. Ex. 58. In addition, a reader comment dated July 14, 2013,
 11 responding to an article by Tech Crunch about this lawsuit, stated, “[a]s a creative thinker who
 12 has a few names under his belt, when I first heard of Flowboard, I thought it was a spin off
 13 product from the company behind Flipboard that I have on my iPad.” Ex. 56.

14 Flipboard provided evidence that postings on social media, such as Facebook, have also
 15 associated the two apps based entirely upon the similarity between their marks. For example,
 16 an individual named Rachael LaFave Turner posted a link to a Flowboard presentation on
 17 Facebook on December 26, 2013, but titled it “Flipboard link.” Ex. 61. Similarly, a Flowboard
 18 user described her Flowboard as follows: “This flipboard is about the bands that saved my
 19 life...If you have any requests for a flipboard of a band, e-mail me at
 20 SaraHasNoLife@yahoo.com.” Ex. 104. *See also* Ex. 99 (video about Flowboard IOS app in
 21 which the narrator refers to the Flowboard app as Flipboard). Moreover, a personal friend of
 22 Mr. Brooker, Claire Joanna, asked him via Facebook post on June 27, 2013, if the Flowboard
 23 app was “the same as Flipboard?” Ex. 50. When he was asked about Ms. Joanna’s question
 24

1 during his deposition, Mr. Brookler acknowledged, “I would have to say she’s uncertain . . .

2 Appears she’s confused.” Brookler Dep. at 118:6-9.

3 Finally, Flipboard’s general counsel Ms. Mak testified that when she ran Google
4 searches with the search terms “flowboard app” and “flowboard application,” Google provided
5 several suggested search items that all exclusively referenced the Flipboard app. Exs. 105-106.
6 Google also exclusively showed results for the Flipboard app, rather than the Flowboard app.
7 This evidence suggests that consumers who are attempting to search for Flowboard using
8 Google would instead be redirected to websites referencing Flipboard.

9 “Initial interest confusion” occurs when customers seek the holder of the trademark but
10 are instead directed to the alleged infringer. While the customers may be only initially
11 confused as to the identity of the trademark holder and may voluntarily continue to instead
12 pursue the alleged infringer, the alleged infringer is said to have benefitted from goodwill
13 developed by the holder of the trademark, which generated the customer’s initial interest. *See*
14 *Brookfield*, 174 F.3d at 1062 (providing that “initial interest confusion” may still be an
15 infringement even if no sale is consummated as a result of the confusion). *See also Dr. Seuss*
16 *Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405 (9th Cir. 1997).

17 Here, however, Flipboard does not argue that the Google search results would cause
18 initial interest confusion, i.e., a “bait and switch” for Flipboard’s potential customers. In fact,
19 the Google search results suggest that potential Flowboard customers would instead be re-
20 directed by Google to Flipboard’s site. Nevertheless, the Google search results continue to link
21 Flowboard with Flipboard, fostering consumer confusion about the difference between the two
22 apps, and showing that the two apps operate within the same space.

1 Accordingly, Flipboard has presented evidence of actual confusion by Flowboard users
2 who were mistakenly affiliating the app with Flipboard, as well as instances of confusion in
3 informal communications by people who are or should be aware of the difference between the
4 two apps. Flipboard has also shown that consumers who conduct Google searches for the
5 words “Flowboard app” or “Flowboard application” may be further confused by suggested
6 search terms and results that solely reference Flipboard. As evidence of actual confusion is
7 persuasive evidence that future confusion is likely, this *Sleekcraft* factor strongly weighs in
8 favor of Flipboard. *See Sleekcraft*, 599 F.2d at 352.

9

10 5. Marketing Channels

11 “Convergent marketing channels increase the likelihood of confusion.” *Sleekcraft*, 599
12 F.2d at 353. Both parties’ use of the Internet as a marketing tool is “a factor that courts have
13 consistently recognized as exacerbating the likelihood of confusion.” *Brookfield*, 174 F.3d at
14 1057. “*Some* use of the Internet for marking, however, does not alone and as a matter of law
15 constitute overlapping marketing channels.” *Entrepreneur Media, Inc.*, 279 F.3d at 1151
16 (emphasis in original). “The proper inquiries are whether both parties use the Web as a
17 substantial marketing and advertising channel, whether the parties’ marks are utilized in
18 conjunction with Web-based products, and whether the parties’ marketing channels overlap in
19 any other way.” *Id.* (internal quotations and citations omitted).

20

21 Flipboard argues that the marketing channels for the Flipboard and Flowboard products
22 are identical. Dkt. 61 at 27-28. Specifically, Flipboard points out that both applications are
23 marketed through social media, blogs, online magazines, and online ads. *Id.* at 28. Moreover,
24 Flipboard points out that both companies use the same Internet app stores to distribute their
25 products and that the products are downloaded the same way. *Id.* at 27. Flipboard also

1 contends that the fact that the products are categorized differently in the app stores is
 2 irrelevant, because “it is far more likely that consumers search for the names of the application
 3 or click on links in news articles to the applications’ pages” within the application stores,
 4 neither of which implicates the application’s sub-categorization. *Id.*

5 While acknowledging that both parties use the Internet to market their products,
 6 Treemo argues that the parties use different marketing channels. As discussed above, the
 7 Flowboard app is categorized as a “productivity” application by the Apple App Store, whereas
 8 Flipboard’s app is consistently categorized as a “news” application. Dkt. 51 at 16-17. Treemo
 9 argues the difference in categorization shows that the apps utilize differing marketing channels,
 10 because “individuals seeking productivity application are not likely to be browsing news-
 11 readers.” *Id.* at 16.

13 It is generally true that, without more, marketing using the Internet is insufficient to
 14 establish overlapping channels. In this case, however, both parties use the Internet as their
 15 primary marketing and advertising channel, both parties’ marks are utilized in conjunction with
 16 their Web-based products, and both parties exclusively sell their products in the same app
 17 stores. As mentioned above, Ms. McCue testified at trial that the difference between the apps
 18 categorization in the app store does not have a significant impact on the way in which
 19 consumers find the apps because consumers most often type the name of an application into
 20 the search bar, rather than scrolling through hundreds of apps sorted by category.¹² Flowboard
 21 did not introduce any testimony to the contrary. As a result, confusion between the
 22 FLOWBOARD and FLIPBOARD marks could easily result in a consumer searching for and

24 ¹² For example, Ms. McCue testified that whenever Flipboard has received a lot of press attention, the
 25 company sees a boost in sales due to consumers searching for and purchasing the app. Alternatively, Ms. McCue
 26 testified that whenever Flipboard has been a “featured app” on the first page of the app store, they have seen a
 dramatic boost in app sales as a result of the heightened visibility.

then downloading the wrong app, regardless of whether the apps are categorized as “news” or
 1 “productivity” apps. Thus, this factor weighs in favor of Flipboard.
 2

3 6. Degree of Care Exercised by Purchasers

4 “Low consumer care . . . increases the likelihood of confusion.” *Playboy Enter., Inc. v.*
 5 *Netscape Commc’n Corp.*, 354 F.3d 1020, 1028 (9th Cir. 2004). “In assessing the likelihood
 6 of confusion to the public, the standard used by the courts is the typical buyer exercising
 7 ordinary caution [W]hen the goods are expensive, the buyer can be expected to exercise
 8 greater care in his purchases[.]” *Sleekcraft*, 599 F.2d at 353 (citations omitted). Conversely,
 9 “[c]onsumer care for inexpensive products is expected to be quite low. Low consumer care, in
 10 turn, increases the likelihood of confusion.” *Playboy*, 354 F.3d at 1028.
 11

12 Here, both products are available for download for free. Moreover, testimony at trial
 13 unequivocally established that the time and effort to download and install the applications are
 14 minimal. With an Internet connection, both apps can be downloaded with the touch of a finger
 15 within thirty seconds to one minute. While Treemo argues in its brief that its target audience is
 16 more sophisticated consumers who use technology applications as a matter of course, Treemo
 17 did not introduce any evidence at trial to support this assertion. In light of the ease with which
 18 both applications can be downloaded for free, it is unlikely that consumers are likely to
 19 exercise much care when downloading them.¹³ Thus, this factor weighs in favor of Flipboard
 20 and in favor of a finding of a likelihood of confusion.
 21

22
 23
 24 ¹³ This finding is not altered by the fact that Treemo offers a “premium” version of its Flowboard
 25 application that provides consumers with access to extra features. Mr. Brookler testified that consumers can
 26 purchase Treemo’s premium app for \$4.99 a month or \$39.99 a year. However, the premium version of the
 Flowboard app has only been downloaded 6,000 times, whereas the free iPad app has been downloaded almost
 300,000 times.

1 7. Treemo's Intent in Selecting the FLOWBOARD Marks

2 “[I]ntent to deceive is strong evidence of a likelihood of confusion.” *Entrepreneur*
 3 *Media*, 279 F.3d at 1148 (internal quotation marks omitted). “When the alleged infringer
 4 knowingly adopts a mark similar to another’s, reviewing courts presume that the defendant can
 5 accomplish his purpose: that is, that the public will be deceived.” *Id.* (internal quotation marks
 6 omitted). “This factor favors the plaintiff where the alleged infringer adopted his mark with
 7 knowledge, actual or constructive, that it was another’s trademark.” *Brookfield*, 174 F.3d at
 8 1059.

9 Flipboard argues that Treemo acted in bad faith and attempted to trade on Flipboard’s
 10 established goodwill when it chose the FLOWBOARD mark, and points to several pieces of
 11 evidence to support its position. Dkt. 61 at 21. First, Flipboard points to the July 27, 2012
 12 email from Geoff Entress, a Treemo director, to Mr. Brookler in which he states, “I like [the
 13 name Flowboard]. Is the popular news app Flipboard? I guess that is a good thing.” Ex. 26.
 14 Second, Flipboard points to statements made by Treemo likening the Flipboard App to the
 15 Flowboard App to press. Finally, prior to the launch of the Flowboard app, third parties
 16 repeatedly expressed to Treemo that the parties’ names for their apps were similar, signaling a
 17 likelihood of confusion. Dkt. 61 at 22.

18 Treemo argues that, as Mr. Brooker testified, the FLOWBOARD mark was selected to
 19 embody the distinguishing characteristics of Treemo’s Flowboard product, and not to unfairly
 20 capture Flipboard’s goodwill. Dkt. 51 at 20. Moreover, Treemo argues that the examining
 21 attorney at the USPTO advised Treemo that there were no conflicting marks that would bar
 22 registration, thus validating its good faith belief that the FLOWBOARD mark could be used
 23 without creating consumer confusion. Dkt. 67 at 9-10.

1 It is undisputed that Mr. Brookler and Treemo were fully aware of the similarity
2 between the FLOWBOARD mark and FLIPBOARD mark at the time the Flowboard app was
3 launched on April 18, 2013. Indeed, Mr. Brookler testified that he was familiar with the
4 Flipboard app as early as 2010. Regardless, however, the overall evidence does not show that
5 Treemo adopted its marks in bad faith and with the intent to confuse consumers.

6 As mentioned above, Mr. Entress testified at trial that his statement, “I guess that is a
7 good thing,” meant that it was a good thing that Flipboard was a news app and not in
8 Flowboard’s space because otherwise the similarity in names would cause confusion.
9 Although the Court was not wholly convinced by Mr. Entress’ testimony, it is not material to
10 intent because Mr. Entress’ comment does not prove that Treemo intentionally selected the
11 FLOWBOARD mark because of its similarity to the FLIPBOARD mark. Indeed, further down
12 the email chain, Mr. Entress stated that the FLOWBOARD mark “sounds good as long as no
13 trademark issues.” Ex. 26. Mr. Brookler assured Mr. Entress, “No trademark issues at all.”
14 *Id.* Thus, the Court does not share Flipboard’s view that this email exchange between Mr.
15 Entress and Mr. Brookler constitutes a “smoking gun” that evinces intent to infringe on
16 Flipboard’s trademark. On the contrary, this conversation can be interpreted as evidence that
17 Mr. Brookler and Mr. Entress hoped to avoid a trademark dispute, which could be catastrophic
18 to a small start-up like Treemo. Mr. Brookler testified that especially after Treemo’s recent
19 lawsuit regarding Appafolio, he hoped the company would avoid a trademark dispute, which is
20 why he sought trademark registration of the FLOWBOARD mark from the USPTO.
21

22 Perhaps most convincingly, Treemo only adopted its mark after being advised by the
23 USPTO in July 2012 that the “trademark examining attorney has searched the USPTO’s
24 database of registered and pending marks and has found no conflicting marks that would bar
25

registration[.]” Ex. 502. The public opposition period closed before the Flowboard app launched on April 18, 2013, without any opposition being filed. Such evidence, coupled with Mr. Brookler’s testimony regarding the process by which the FLOWBOARD marks were selected by Treemo, negates Flipboard’s allegations of intent. Accordingly, the evidence does not support an inference that Treemo intended to confuse consumers by adopting the FLOWBOARD marks, and this factor weighs in favor of Flowboard.

8. Expansion of Product Lines

“Inasmuch as a trademark owner is afforded greater protection against competing goods, a ‘strong possibility’ that either party may expand his business to compete with the other will weigh in favor of finding that the present use is infringing. When goods are closely related, any expansion is likely to result in direct competition.” *Sleekcraft*, 599 F.2d at 354; see also *M2 Software, Inc. v. Madacy Ent.*, 421 F.3d 1073, 1085 (9th Cir. 2005). The court must determine whether the allegedly infringing mark is “hindering the plaintiff’s expansion plans.” *Survivor Media*, 406 F.3d at 634. A plaintiff must offer proof beyond mere speculation or generalized expansion goals. *See id.* (no concrete evidence of, only expressed interest in, expansion tilted factor in favor of defendant); *Official Airline Guides v. Goss*, 6 F.3d 1385, 1394 (9th Cir. 1993) (the evidence of alleged intent to expand did not demonstrate that the parties would “compete with a similar product in the same market”).

Where two companies are direct competitors, however, this factor is unimportant. *See Brookfield Commc’n*, 174 F.3d at 1060 (“The likelihood of expansion in product lines factor is relatively unimportant where two companies already compete to a significant extent.”). In such cases, the district court can decline to consider the likelihood of expansion. *See Network Automation, Inc. v. Advanced Systems Concepts, Inc.*, 638 F.3d 1137, 1153 (9th Cir. 2011)

1 (holding that where two companies are direct competitors, the district court correctly declined
2 to consider the likelihood of expansion).

3 Flipboard 2.0's current editor tools allow a user to adjust layouts, change the cover of
4 the magazine, and add some written comments, but a user cannot upload original content
5 directly off a phone or tablet right into the Flipboard app. However, Flipboard's Head of
6 Marketing Ms. McCue and General Counsel Cecily Mak testified that Flipboard will be
7 releasing a new iteration of its app with a more expansive tool set in the next 60-90 days that
8 will allow users to add original content right into the Flipboard app, as opposed to posting it
9 somewhere else on the Internet first. This new version of Flipboard will, of course, make
10 Flipboard's content generation features even more similar to the Flowboard app.

12 As discussed above, however, the Court has already determined that Flipboard 2.0 and
13 Flowboard are similar apps that compete for the same customers in the same space through the
14 same marketing channels, and have similar functionality. Because the Flipboard and
15 Flowboard apps already compete directly, the Court need not consider whether the likelihood
16 of expansion of product lines will further weigh in favor of finding that the present use is
17 infringing. *See Brookfield Commc'n*, 174 F.3d at 1060. Although it is unnecessary to address
18 this factor, the Court finds that Ms. McCue and Ms. Mak's testimony at trial established a
19 "strong possibility" that Flipboard will soon expand its features and even more closely
20 resemble the Flowboard app. Because the functionality of the two apps will continue to
21 converge, keeping the two apps in direct competition with each other, the Court finds that this
22 factor favors Flipboard.
23
24
25
26

1 9. Balancing the *Sleekcraft* factors

2 As mentioned above, the relative import of each *Sleekcraft* factor is case-dependent.
3 However, with the exception of the “intent” factor (which favors Treemo) as to the
4 FLOWBOARD mark, the Court finds that the *Sleekcraft* factors overwhelmingly favor
5 Flipboard’s position and indicate a likelihood of confusion. The Court finds no likelihood of
6 confusion as to the competing “F” logo marks.

7 VI. PERMANENT INJUNCTION

8 The testimony by both parties was that confusion between the two would be highly
9 detrimental. Flipboard does not want consumers to believe its app is associated with Treemo
10 or its products; Treemo does not want consumers to believe their Flowboard product is
11 associated with Flipboard. Nevertheless, confusion and likelihood of confusion as to the
12 FLIPBOARD mark and FLOWBOARD mark exists and will continue if the infringement is
13 not enjoined.

14 “[A] plaintiff seeking a permanent injunction must satisfy a four-factor test before a
15 court may grant such relief. A plaintiff must demonstrate: (1) that it has suffered an irreparable
16 injury; (2) that remedies available at law, such as monetary damages, are inadequate to
17 compensate for that injury; (3) that, considering the balance of hardships between the plaintiff
18 and defendant, a remedy in equity is warranted; and (4) that the public interest would not be
19 disserved by a permanent injunction.” *eBay Inc. v. MercExchange, LLC*, 547 U.S. 388, 391,
20 126 S. Ct. 1837, 164 L.Ed.2d 641 (2006). See also *Herb Reed Enters, LLC v. Fla. Entm’t*
21 *Mgmt.*, 736 F.3d 1239, 1249 (9th Cir. 2013) (holding that “the traditional four-factor test
22 employed by courts of equity, including the requirement that the plaintiff must establish
23 irreparable injury in seeking a permanent injunction” applies not only in the patent and
24
25
26

1 copyright context, but “the same principle applies to trademark infringement under the Lanham
2 Act.”). In addition, the Lanham Act expressly states that courts “have power to grant
3 injunctions, according to the principles of equity and upon such terms as the court may deem
4 reasonable, to prevent the violation of any right of the registrant of a mark....” 15 U.S.C. §
5 1116(a). Although neither party has briefed this issue, the Court considers each factor in turn
6 in light of the evidence presented at trial and concludes that the four-factor test supports
7 granting permanent injunctive relief to Flipboard.

8 As to the first factor, the Ninth Circuit has held that “actual irreparable harm must be
9 demonstrated to obtain a permanent injunction in a trademark infringement action.” *Herb*
10 *Reed Enterprises, LLC*, 736 F.3d at 1249. Courts have recognized that in trademark cases, the
11 irreparable harm may be shown through evidence of the loss of prospective customers,
12 goodwill, or reputation. *See e.g., Stuhlbarg Intern. Sales Co., Inc. v. John D. Brush & Co.,*
13 *Inc.*, 240 F.3d 832, 841 (9th Cir. 2001). At trial, several witnesses for Flipboard expressed
14 concern that Flipboard’s reputation and goodwill were harmed by the confusion of consumers
15 who mistakenly believed their Flowboard presentations were created using the Flipboard app.
16 Ms. McCue and Mr. Weskamp also testified that Flipboard has invested substantial time and
17 money in its specific design and aesthetic.

20 With respect to the second factor, the plaintiff must show that “remedies available at
21 law, such as monetary damages, are inadequate to compensate for the injury.” *eBay*, 547 U.S.
22 at 391. Courts have broadly accepted the general proposition that, even after the Supreme
23 Court’s decision in *eBay*, monetary damages alone are inadequate to remedy trademark
24 violations. Flipboard has sufficiently demonstrated that monetary damages are inadequate to
25

1 compensate for Treemo's infringement. By filing this lawsuit, Treemo expressed its intention
2 to continue infringing in the future if injunctive relief does not issue.

3 With respect to the third factor, the court must consider and balance the hardships that
4 might afflict the parties following the grant or denial of the permanent injunction. Although
5 Treemo has not submitted any evidence regarding the hardship that would result from a
6 permanent injunction requiring Treemo to cease its use of the FLOWBOARD mark and
7 rebrand its app, as discussed below, the Court shall narrowly tailor the injunction by granting
8 Treemo a fixed period of time to adopt a new mark and redirect traffic from its current website
9 to a new URL. In the absence of such an injunction, Flipboard's interests in maintaining
10 control over its trademarks and avoiding injury to its reputation and goodwill will continue to
11 be harmed by the confusion of consumers.

13 Finally, injunctive relief serves the public interest by protecting the rights of trademark
14 holders against infringement and also minimizing consumer confusion. *See Brookfield*, 174
15 F.3d at 1066 (noting that injunctive relief may be appropriate "to promote the public interest in
16 protecting trademarks generally"). Thus, the four-factor test set forth in *eBay* supports
17 granting permanent injunctive relief to Flipboard.

19 **VII. CONCLUSION**

20 The Court therefore ORDERS that Treemo and its agents or subsidiaries be
21 permanently enjoined from using the FLOWBOARD mark or any other mark confusingly
22 similar to the mark FLIPBOARD. It is also ordered that a copy of this Order be provided by
23 the parties to the USPTO, and that the FLOWBOARD trademark registration be canceled by
24 the USPTO. This injunction does not apply to Treemo's "F" logo.

This permanent injunction, however, will not take effect for sixty (60) days from the date of this Order so that Treemo may adopt a new word mark. The use of FLOWBOARD in Treemo's URL will also be allowed to continue for six (6) months to permit Internet traffic intended for Treemo to be redirected to a new URL. After the six month period, Treemo will cease using a URL that contains the mark FLOWBOARD or any confusingly similar URL.

The parties are directed to meet and confer and draft the terms of final injunctive relief and submit it to the Court within fourteen (14) days of this Order. If they cannot reach agreement, separate proposals will be submitted and the Court will fashion the terms of the final permanent injunction.

The Clerk is directed to send a copy of this Order to counsel for both parties.

DATED this 15th day of October, 2014.

James P. Donohue
JAMES P. DONOHUE
United States Magistrate Judge